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**7 | Attorneys for Plaintiff
SIGNAL IP, INC.**

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

11 SIGNAL IP, INC., a California
12 corporation,

Plaintiff,

14 vs.
15 VOLKSWAGEN GROUP OF
16 AMERICA, INC., d/b/a. AUDI OF
17 AMERICA, INC., a New Jersey
18 corporation; AUDI OF AMERICA,
LLC, a Delaware limited liability
company; BENTLEY MOTORS, INC.,
a Delaware Corporation.

19 Defendants.

Case No. 14-cv-3113

COMPLAINT FOR PATENT INFRINGEMENT

JURY TRIAL DEMANDED

10 Plaintiff Signal IP, Inc. (“Signal IP” or “Plaintiff”) brings this Complaint
11 against Defendants Volkswagen Group of America, Inc., d/b/a Audi of America,
12 Inc., Audi of America, LLC, and Bentley Motors, Inc. (collectively, “Defendants”),
13 alleging as follows:

PARTIES

26 1. Plaintiff Signal IP is a California corporation with its principal place of
27 business at 11100 Santa Monica Blvd., Suite 380, Los Angeles, CA 90025.
28 2. On information and belief, Defendant Volkswagen Group of America,

1 Inc., d/b/a Audi of America, Inc. is a New Jersey corporation with its principal place
2 of business at 2200 Ferdinand Porsche Drive, Herndon, VA 20171.

3 3. On information and belief, Defendant Audi of America, LLC is a
4 Delaware limited liability company with its principal place of business at 2200
5 Ferdinand Porsche Drive, Herndon, VA 20171.

6 4. On information and belief, Defendant Bentley Motors, Inc. is a
7 Delaware corporation with its principal place of business at 2200 Ferdinand Porsche
8 Drive, Herndon, VA 20171.

9 5. On information and belief, Defendants are part of an integrated
10 automotive group that manufactures and distributes cars under brand names
11 including “Audi”, “Volkswagen”, and “Bentley.”

12 **JURISDICTION, VENUE AND JOINDER**

13 6. This action arises under the patent laws of the United States, Title 35 of
14 the United States Code. This Court has subject matter jurisdiction pursuant to 28
15 U.S.C. §§ 1331 and 1338(a).

16 7. This Court has personal jurisdiction over Defendants. Defendants have
17 conducted extensive commercial activities and continue to conduct extensive
18 commercial activities within the State of California. Defendants are registered to do
19 business in California. Additionally, on information and belief, Defendants, directly
20 and/or through intermediaries (including Defendants’ entities, subsidiaries,
21 distributors, sales agents, partners and others), distribute, offer for sale, sell, and/or
22 advertise their products (including but not limited to the products and services that
23 are accused of infringement in this lawsuit) in the United States, in the State of
24 California, and in this judicial district, under the “Audi”, “Volkswagen”, and
25 “Bentley” brand names. Defendants have purposefully and voluntarily placed one
26 or more of their infringing products and services into the stream of commerce with
27 the expectation that the products and services will be purchased or used by
28 customers in California and within this judicial district. Accordingly, Defendants

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1 have infringed Signal IP's patents within the State of California and in this judicial
2 district as alleged in more detail below.

3 8. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400(b).

4 **BACKGROUND**

5 9. Signal IP, Inc. is a California corporation with a principal place of
6 business at 11100 Santa Monica Blvd., Suite 380, Los Angeles, CA 90025. It is the
7 owner of the entire right, title and interest in and to U.S. Patent Nos. 5,714,927;
8 5,732,375; 5,954,775; 6,434,486; 6,775,601; and 6,012,007 (the "Patents-in-Suit").

9 10. On information and belief, Defendants are direct or indirect
10 subsidiaries of global car manufacturer and distributor Volkswagen AG, which is
11 headquartered in Germany. Volkswagen AG manufactures and distributes cars
12 under brand names including "Audi", "Volkswagen", and "Bentley."

13 **FIRST CLAIM FOR RELIEF**

14 **(Infringement of the '927 Patent)**

15 11. Plaintiff incorporates paragraphs 1 through 10 of this complaint as if set
16 forth in full herein.

17 12. Signal IP is the owner of the entire right, title, and interest in and to
18 U.S. Patent No. 5,714,927 (the '927 Patent), entitled "Method of Improving Zone of
19 Coverage Response of Automotive Radar." The '927 Patent was duly and legally
20 issued by the U.S. Patent and Trademark Office on February 3, 1998. A true and
21 correct copy of the '927 Patent is attached as Exhibit A.

22 13. Defendants have directly infringed and continue to infringe, literally
23 and/or under the doctrine of equivalents, the '927 Patent by making, using, offering
24 for sale, and/or selling in the United States certain methods or systems disclosed and
25 claimed in the '927 Patent, including but not limited to the Side Assist system, used
26 in products including but not limited to the Audi A3, A4, A4 Allroad, A4
27 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, Q5 Hybrid, S4, S5, S5 Cabriolet, S6,
28 S7, S8, SQ5, RS5, and RS7, and the Volkswagen CC, Touareg, Phaeton, and

1 | Touareg Hybrid.

2 14. Defendants have contributorily infringed and are currently
3 contributorily infringing the '927 Patent by making, using, offering for sale, and/or
4 selling in the United States certain methods or systems disclosed and claimed in the
5 '927 Patent, including but not limited to the Side Assist system, used in products
6 including but not limited to the Audi A3, A4, A4 Allroad, A4 Sedan/Avant, A5, A6,
7 A7, A8, Q3, Q5, Q7, Q5 Hybrid, S4, S5, S5 Cabriolet, S6, S7, S8, SQ5, RS5, and
8 RS7, and the Volkswagen CC, Touareg, Phaeton, and Touareg Hybrid.

9 15. Defendants have actively induced and are actively inducing the
10 infringement of the '927 Patent by making, using, offering for sale, and/or selling in
11 the United States certain methods or systems disclosed and claimed in the '927
12 Patent, including but not limited to the Side Assist system, used in products
13 including but not limited to the Audi A3, A4, A4 Allroad, A4 Sedan/Avant, A5, A6,
14 A7, A8, Q3, Q5, Q7, Q5 Hybrid, S4, S5, S5 Cabriolet, S6, S7, S8, SQ5, RS5, and
15 RS7, and the Volkswagen CC, Touareg, Phaeton, and Touareg Hybrid.

16 16. Defendants' infringement of the '927 Patent has been and continues to
17 be willful, rendering this case exceptional within the meaning of 35 U.S.C. § 285.

18 17. Unless enjoined by this Court, Defendants will continue to infringe the
19 '927 Patent.

18. As a direct and proximate result of the Defendants' conduct, Plaintiff
has suffered, and will continue to suffer, irreparable injury for which it has no
adequate remedy at law. Plaintiff also has been damaged and, until an injunction
issues, will continue to be damaged in an amount yet to be determined.

SECOND CLAIM FOR RELIEF

(Infringement of the '375 Patent)

26 | 19. Plaintiff incorporates paragraphs 1 through 18 of this complaint as if set
27 | forth in full herein.

28 20. Signal IP is the owner of the entire right, title, and interest in and to

1 U.S. Patent No. 5,732,375 (the ‘375 Patent), entitled “Method of Inhibiting or
2 Allowing Airbag Deployment.” The ‘375 Patent was duly and legally issued by the
3 U.S. Patent and Trademark Office on March 24, 1998. A true and correct copy of
4 the ‘375 Patent is attached as Exhibit B.

5 21. Defendants have directly infringed and continue to infringe, literally
6 and/or under the doctrine of equivalents, the ‘375 Patent by making, using, offering
7 for sale, and/or selling in the United States certain methods or systems disclosed and
8 claimed in the ‘375 Patent, including but not limited to the Seat Occupancy Sensor,
9 used in products including but not limited to the Audi A6 and S6.

10 22. Defendants have contributorily infringed and are currently
11 contributorily infringing the ‘375 Patent by making, using, offering for sale, and/or
12 selling in the United States certain methods or systems disclosed and claimed in the
13 ‘375 Patent, including but not limited to the Seat Occupancy Sensor, used in
14 products including but not limited to the Audi A6 and S6.

15 23. Defendants have actively induced and are actively inducing the
16 infringement of the ‘375 Patent by making, using, offering for sale, and/or selling in
17 the United States certain methods or systems disclosed and claimed in the ‘375
18 Patent, including but not limited to the Seat Occupancy Sensor, used in products
19 including but not limited to the Audi A6 and S6.

20 24. Defendants’ infringement of the ‘375 Patent has been and continues to
21 be willful, rendering this case exceptional within the meaning of 35 U.S.C. § 285.

22 25. Unless enjoined by this Court, Defendants will continue to infringe the
23 ‘375 Patent.

24 26. As a direct and proximate result of the Defendants’ conduct, Plaintiff
25 has suffered, and will continue to suffer, irreparable injury for which it has no
26 adequate remedy at law. Plaintiff also has been damaged and, until an injunction
27 issues, will continue to be damaged in an amount yet to be determined.

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THIRD CLAIM FOR RELIEF

(Infringement of the '486 Patent)

3 27. Plaintiff incorporates paragraphs 1 through 26 of this complaint as if set
4 forth in full herein.

5 28. Signal IP is the owner of the entire right, title, and interest in and to
6 U.S. Patent No. 6,434,486 (the '486 Patent), entitled "Technique for Limiting the
7 Range of an Object Sensing System in a Vehicle." The '486 Patent duly and legally
8 issued by the U.S. Patent and Trademark Office on August 13, 2002. A true and
9 correct copy of the '486 Patent is attached as Exhibit C.

10 29. Defendants have directly infringed and continue to infringe, literally
11 and/or under the doctrine of equivalents, the '486 Patent by making, using, offering
12 for sale, and/or selling in the United States certain methods or systems disclosed and
13 claimed in the '486 Patent, including but not limited to collision prevention or
14 avoidance systems, including but not limited to the (1) Adaptive Cruise Control
15 system, used in products including but not limited to the Audi A3, A4, A4 Allroad,
16 A4 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, Q5 Hybrid, S4, S5, S5 Cabriolet,
17 S6, S7, S8, and SQ5; and (2) the Front Assist system, used in products including but
18 not limited to the Volkswagen CC, Eos, Golf, Golf GTI, Golf R, Jetta, Jetta Sedan,
19 Jetta SportWagen, Passat Sedan, Passat Wagon, Touareg, Jetta Hybrid, Phaeton, and
20 Touareg Hybrid.

21 30. Defendants have contributorily infringed and are currently
22 contributorily infringing the '486 Patent by making, using, offering for sale, and/or
23 selling in the United States certain methods or systems disclosed and claimed in the
24 '486 Patent, including but not limited to collision prevention or avoidance systems,
25 including but not limited to the (1) Adaptive Cruise Control system, used in
26 products including but not limited to the Audi A3, A4, A4 Allroad, A4
27 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, Q5 Hybrid, S4, S5, S5 Cabriolet, S6,
28 S7, S8, and SQ5; and (2) the Front Assist system, used in products including but not

1 limited to the Volkswagen CC, Eos, Golf, Golf GTI, Golf R, Jetta, Jetta Sedan, Jetta
2 SportWagen, Passat Sedan, Passat Wagon, Touareg, Jetta Hybrid, Phaeton, and
3 Touareg Hybrid.

4 31. Defendants have actively induced and are actively inducing the
5 infringement of the '486 Patent by making, using, offering for sale, and/or selling in
6 the United States certain methods or systems disclosed and claimed in the '486
7 Patent, including but not limited to collision prevention or avoidance systems,
8 including but not limited to the (1) Adaptive Cruise Control system, used in
9 products including but not limited to the Audi A3, A4, A4 Allroad, A4
10 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, Q5 Hybrid, S4, S5, S5 Cabriolet, S6,
11 S7, S8, and SQ5; and (2) the Front Assist system, used in products including but not
12 limited to the Volkswagen CC, Eos, Golf, Golf GTI, Golf R, Jetta, Jetta Sedan, Jetta
13 SportWagen, Passat Sedan, Passat Wagon, Touareg, Jetta Hybrid, Phaeton, and
14 Touareg Hybrid.

15 32. Defendants' infringement of the '486 Patent has been and continues to
16 be willful, rendering this case exceptional within the meaning of 35 U.S.C. § 285.

17 33. Unless enjoined by this Court, Defendants will continue to infringe the
18 '486 Patent.

19 34. As a direct and proximate result of the Defendants' conduct, Plaintiff
20 has suffered, and will continue to suffer, irreparable injury for which it has no
21 adequate remedy at law. Plaintiff also has been damaged and, until an injunction
22 issues, will continue to be damaged in an amount yet to be determined.

FOURTH CLAIM FOR RELIEF

(Infringement of the '601 Patent)

25 35. Plaintiff incorporates paragraphs 1 through 34 of this complaint as if set
26 forth in full herein.

27 36. Signal IP is the owner of the entire right, title, and interest in and to
28 U.S. Patent No. 6,775,601 (the '601 Patent), entitled "Method and Control System

1 for Controlling Propulsion in a Hybrid Vehicle.” The ‘601 Patent was duly and
2 legally issued by the U.S. Patent and Trademark Office on August 10, 2004. A true
3 and correct copy of the ‘601 Patent is attached as Exhibit D.

4 37. Defendants have directly infringed and continue to infringe, literally
5 and/or under the doctrine of equivalents, the ‘601 Patent by making, using, offering
6 for sale, and/or selling in the United States certain methods or systems for hybrid
7 vehicles disclosed and claimed in the ‘601 Patent, including but not limited to the
8 Audi Q5 Hybrid, and the Volkswagen Jetta Hybrid and Touareg Hybrid.

9 38. Defendants have contributorily infringed and are currently
10 contributorily infringing the ‘601 Patent by making, using, offering for sale, and/or
11 selling in the United States certain methods or systems disclosed and claimed in the
12 ‘601 Patent, including but not limited to the Audi Q5 Hybrid, and the Volkswagen
13 Jetta Hybrid and Touareg Hybrid.

14 39. Defendants have actively induced and are actively inducing the
15 infringement of the ‘601 Patent by making, using, offering for sale, and/or selling in
16 the United States certain methods or systems disclosed and claimed in the ‘601
17 Patent, including but not limited to the Audi Q5 Hybrid, and the Volkswagen Jetta
18 Hybrid and Touareg Hybrid.

19 40. Defendants’ infringement of the ‘601 Patent has been and continues to
20 be willful, rendering this case exceptional within the meaning of 35 U.S.C. § 285.

21 41. Unless enjoined by this Court, Defendants will continue to infringe on
22 the ‘601 Patent.

23 42. As a direct and proximate result of the Defendants’ conduct, Plaintiff
24 has suffered, and will continue to suffer, irreparable injury for which it has no
25 adequate remedy at law. Plaintiff also has been damaged and, until an injunction
26 issues, will continue to be damaged in an amount yet to be determined.

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FIFTH CLAIM FOR RELIEF
(Infringement of the '007 Patent)

43. Plaintiff incorporates paragraphs 1 through 42 of this complaint as if set
4 forth in full herein.

5 44. Signal IP is the owner of the entire right, title, and interest in and to
6 U.S. Patent No. 6,012,007 (the ‘007 Patent), entitled “Occupant Detection Method
7 and Apparatus for Air Bag System.” The ‘007 Patent was duly and legally issued by
8 the U.S. Patent and Trademark Office on January 4, 2000. A true and correct copy
9 of the ‘007 Patent is attached as Exhibit E.

10 45. Defendants have directly infringed and continue to infringe, literally
11 and/or under the doctrine of equivalents, the '007 Patent by making, using, offering
12 for sale, and/or selling in the United States certain methods or systems disclosed and
13 claimed in the '007 Patent, including but not limited to the Passenger Occupant
14 Detection system, used in products including but not limited to the Audi A3, A4, A4
15 Allroad, A4 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, R8, TT, Q5 Hybrid, S4, S5,
16 S5 Cabriolet, S6, S7, S8, and SQ5, and the Volkswagen Beetle, Beetle Convertible,
17 Beetle Coupe, CC, Eos, Golf, Golf GTI, Golf R, Jetta, Jetta Sedan, Jetta
18 SportWagen, Passat Sedan, Passat Wagon, Tiguan, Touareg, Jetta Hybrid, and
19 Touareg Hybrid.

20 46. Defendants have contributorily infringed and are currently
21 contributorily infringing the ‘007 Patent by making, using, offering for sale, and/or
22 selling in the United States certain methods or systems disclosed and claimed in the
23 ‘007 Patent, including but not limited to the Passenger Occupant Detection system,
24 used in products including but not limited to the Audi A3, A4, A4 Allroad, A4
25 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, R8, TT, Q5 Hybrid, S4, S5, S5
26 Cabriolet, S6, S7, S8, and SQ5, and the Volkswagen Beetle, Beetle Convertible,
27 Beetle Coupe, CC, Eos, Golf, Golf GTI, Golf R, Jetta, Jetta Sedan, Jetta
28 SportWagen, Passat Sedan, Passat Wagon, Tiguan, Touareg, Jetta Hybrid, and

1 | Touareg Hybrid.

2 47. Defendants have actively induced and are actively inducing the
3 infringement of the '007 Patent by making, using, offering for sale, and/or selling in
4 the United States certain methods or systems disclosed and claimed in the '007
5 Patent, including but not limited to the Passenger Occupant Detection system, used
6 in products including but not limited to the Audi A3, A4, A4 Allroad, A4
7 Sedan/Avant, A5, A6, A7, A8, Q3, Q5, Q7, R8, TT, Q5 Hybrid, S4, S5, S5
8 Cabriolet, S6, S7, S8, and SQ5, and the Volkswagen Beetle, Beetle Convertible,
9 Beetle Coupe, CC, Eos, Golf, Golf GTI, Golf R, Jetta, Jetta Sedan, Jetta
10 SportWagen, Passat Sedan, Passat Wagon, Tiguan, Touareg, Jetta Hybrid, and
11 Touareg Hybrid.

12 48. Defendants' infringement of the '007 Patent has been and continues to
13 be willful, rendering this case exceptional within the meaning of 35 U.S.C. § 285.

14 49. Unless enjoined by this Court, Defendants will continue to infringe on
15 the ‘007 Patent.

16 50. As a direct and proximate result of the Defendants' conduct, Plaintiff
17 has suffered, and will continue to suffer, irreparable injury for which it has no
18 adequate remedy at law. Plaintiff also has been damaged and, until an injunction
19 issues, will continue to be damaged in an amount yet to be determined.

SIXTH CLAIM FOR RELIEF

(Infringement of the '775 Patent)

22 | 51. Plaintiff incorporates paragraphs 1 through 50 of this complaint as if set
23 | forth in full herein.

24 52. Signal IP is the owner of the entire right, title, and interest in and to
25 U.S. Patent No. 5,954,775 (the ‘775 Patent), entitled “Dual Rate Communication
26 Protocol.” The ‘775 Patent was duly and legally issued by the U.S. Patent and
27 Trademark Office on September 21, 1999. A true and correct copy of the ‘775
28 Patent is attached as Exhibit G.

1 53. Defendants have directly infringed, literally and/or under the doctrine
2 of equivalents, the '775 Patent by making, using, offering for sale, and/or selling in
3 the United States certain methods or systems for vehicles disclosed and claimed in
4 the '775 Patent, including but not limited to the FlexRay communication protocol,
5 used in products including but not limited to the Audi A6, A7, and A8, and the
6 Bentley Continental GT and Continental GTC.

7 54. Defendants have contributorily infringed the '775 Patent by making,
8 using, offering for sale, and/or selling in the United States certain methods or
9 systems disclosed and claimed in the '775 Patent, including but not limited to the
10 FlexRay communication protocol, used in products including but not limited to the
11 Audi A6, A7, and A8, and the Bentley Continental GT and Continental GTC.

12 55. Defendants have actively induced infringement of the '775 Patent by
13 making, using, offering for sale, and/or selling in the United States certain methods
14 or systems disclosed and claimed in the '775 Patent, including but not limited to the
15 FlexRay communication protocol, used in products including but not limited to the
16 Audi A6, A7, and A8, and the Bentley Continental GT and Continental GTC.

17 56. As a direct and proximate result of Defendants' conduct, Plaintiff has
18 suffered irreparable injury for which it has no adequate remedy at law. Plaintiff also
19 has been damaged in an amount yet to be determined.

PRAYER FOR RELIEF

21 Wherefore, Signal IP respectfully requests that the Court enter judgment
22 against Defendants as follows:

23 1. That Defendants have directly infringed the Patents-in-Suit;

24 2. That Defendants have contributorily infringed the Patents-in-Suit;

25 3. That Defendants have induced the infringement of the Patents-in-Suit;

26 4. That Defendants' infringement be adjudged willful and deliberate;

27 5. That Defendants and their affiliates, subsidiaries, officers, directors,

28 employees, agents, representatives, successors, assigns, and all those acting in

1 concert, participation, or privity with them or on their behalf, including customers,
2 be enjoined from infringing, inducing others to infringe or contributing to the
3 infringement of the Patents-in-Suit;

4 6. For damages, according to proof, for Defendants' infringement,
5 together with pre-judgment and post-judgment interest, as allowed by law and that
6 such damages be trebled as provided by 35 U.S.C. § 284;

7 7. That this Court determine that this is an exceptional case under 35
8 U.S.C. § 285 and an award of attorneys' fees and costs to Signal IP is warranted;
9 and

10 8. For such other and further relief as the Court may deem just and proper.

12 Dated: April 23, 2014

LINER LLP

14 By: /s/ Ryan E. Hatch

15 Randall J. Sunshine

16 Ryan E. Hatch

17 Jason L. Haas

18 Attorneys for Plaintiff SIGNAL IP, INC.

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1 JURY DEMAND

2 Pursuant to Federal Rules of Civil Procedure Rule 38(b), Plaintiff Signal
3 IP, Inc. respectfully demands a jury trial on any and all issues triable as of right
4 by a jury in this action.

5 Dated: April 23, 2014 LINER LLP

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8 By: /s/ Ryan E. Hatch

9 Randall J. Sunshine

10 Ryan E. Hatch

11 Jason L. Haas

12 Attorneys for Plaintiff SIGNAL IP, INC.

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